



3015 (02-09-04)

ANNUAL REPORT

OF

Name: MERCER SANITARY DISTRICT NUMBER ONE

Principal Office: P.O. BOX 660
MERCER, WI 54547-0660

For the Year Ended: DECEMBER 31, 2003

WATER, ELECTRIC, OR JOINT UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 266-3766

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

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IDENTIFICATION AND OWNERSHIP

Exact Utility Name: MERCER SANITARY DISTRICT NUMBER ONE

Utility Address: P.O. BOX 660

MERCER, WI 54547-0660

When was utility organized? 1/1/1965

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: THOMAS THOMPSON

Title: PRESIDENT

Office Address:

MERCER SANITARY DISTRICT

P.O. BOX 660

MERCER, WI 54547-0660

Telephone: (715) 476 - 3575

Fax Number: (715) 476 - 3575

E-mail Address:

Individual or firm, if other than utility employee, preparing this report:

Name: DAVID TRACZYK

Title: OWNER

Office Address: DAVID TRACZYK CPA

327 SILVER ST

HURLEY, WI 54534-1255

Telephone: (715) 561 - 3299

Fax Number: (715) 561 - 4099

E-mail Address: bkkkg@charterinternet.com

President, chairman, or head of utility commission/board or committee:

Name: THOMAS THOMPSON

Title: PRESIDENT

Office Address:

P.O. BOX 660

MERCER, WI 54547-0660

Telephone: (715) 476 - 3575

Fax Number: (715) 476 - 3575

E-mail Address:

Are records of utility audited by individuals or firms, other than utility employee? NO

IDENTIFICATION AND OWNERSHIP

Individual or firm, if other than utility employee, auditing utility records:

Name:

Title:

Office Address:

Telephone:

Fax Number:

E-mail Address:

Date of most recent audit report:

Period covered by most recent audit:

Names and titles of utility management including manager or superintendent:

Name: RANDALL R BALDAUF

Title: OPERATOR

Office Address:

P.O. BOX 660
MERCER, WI 54547

Telephone: (715) 476 - 3575

Fax Number: (715) 476 - 3575

E-mail Address:

Name of utility commission/committee:

Names of members of utility commission/committee:

EARL HOLDENBRAND, COMMISSIONER

LUCIEN PERRON, COMMISSIONER

THOMAS THOMPSON, PRESIDENT

Is sewer service rendered by the utility? YES

If "yes," has the municipality, by ordinance, combined the water and sewer service into a single public utility, as provided by Wis. Stat. § 66.0819 of the Wisconsin Statutes? YES

Date of Ordinance: 1/1/1965

Are any of the utility administrative or operational functions under contract or agreement with an outside provider for the year covered by this annual report and/or current year (i.e., operation of water or sewer treatment plant)? NO

Provide the following information regarding the provider(s) of contract services:

IDENTIFICATION AND OWNERSHIP

Firm Name:

Contact Person:

Title:

Telephone:

Fax Number:

E-mail Address:

Contract/Agreement beginning-ending dates:

Provide a brief description of the nature of Contract Operations being provided:

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	159,380	158,031	1
Operating Expenses:			
Operation and Maintenance Expense (401)	115,082	100,809	2
Depreciation Expense (403)	26,237	31,633	3
Amortization Expense (404)	0	0	4
Taxes (408)	3,880	3,033	5
Total Operating Expenses	145,199	135,475	
Net Operating Income	14,181	22,556	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	14,181	22,556	
OTHER INCOME			
Income from Merchandising, Jobbing and Contract Work (415-416)	0	0	7
Nonoperating Rental Income (418)	0	0	8
Interest and Dividend Income (419)	23,796	35,006	9
Miscellaneous Nonoperating Income (421)	85,053	150,447	10
Total Other Income	108,849	185,453	
Total Income	123,030	208,009	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	0	0	11
Other Income Deductions (426)	79,209	0	12
Total Miscellaneous Income Deductions	79,209	0	
Income Before Interest Charges	43,821	208,009	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	93,849	98,578	13
Amortization of Debt Discount and Expense (428)	1,571	1,571	14
Amortization of Premium on Debt--Cr. (429)	0		15
Interest on Debt to Municipality (430)	0	0	16
Other Interest Expense (431)	0	0	17
Interest Charged to Construction--Cr. (432)	0		18
Total Interest Charges	95,420	100,149	
Net Income	(51,599)	107,860	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	210,566	102,706	19
Balance Transferred from Income (433)	(51,599)	107,860	20
Miscellaneous Credits to Surplus (434)	4,240,995	0	21
Miscellaneous Debits to Surplus--Debit (435)	0	0	22
Appropriations of Surplus--Debit (436)	0	0	23
Appropriations of Income to Municipal Funds--Debit (439)	0	0	24
Total Unappropriated Earned Surplus End of Year (216)	4,399,962	210,566	

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
2. Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

Description of Item (a)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)	
UTILITY OPERATING INCOME				
Operating Revenues (400):				
Derived	159,380		159,380	1
Total (Acct. 400):	159,380	0	159,380	
Operation and Maintenance Expense (401):				
Derived	115,082		115,082	2
Total (Acct. 401):	115,082	0	115,082	
Depreciation Expense (403):				
Derived	26,237		26,237	3
Total (Acct. 403):	26,237	0	26,237	
Amortization Expense (404):				
Derived	0		0	4
Total (Acct. 404):	0	0	0	
Taxes (408):				
Derived	3,880		3,880	5
Total (Acct. 408):	3,880	0	3,880	
Revenues from Utility Plant Leased to Others (412):				
NONE	0		0	6
Total (Acct. 412):	0	0	0	
Expenses of Utility Plant Leased to Others (413):				
NONE	0		0	7
Total (Acct. 413):	0	0	0	
TOTAL UTILITY OPERATING INCOME:	14,181	0	14,181	
OTHER INCOME				
Income from Merchandising, Jobbing and Contract Work (415-416):				
Derived	0		0	8
Total (Acct. 415-416):	0	0	0	
Nonoperating Rental Income (418):				
NONE	0		0	9
Total (Acct. 418):	0	0	0	
Interest and Dividend Income (419):				
INTEREST FROM BANK ACCOUNTS	6,081	0	6,081	10
INTEREST ON SPECIAL ASSESSMENTS	17,715	0	17,715	11
Total (Acct. 419):	23,796	0	23,796	

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
2. Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

Description of Item (a)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)
OTHER INCOME			
Miscellaneous Nonoperating Income (421):			
Contributed Plant - Water		3,128	3,128 12
GAIN ON SALE OF EQUIPMENT	1,925	0	1,925 13
PROPERTY TAX LEVY	80,000	0	80,000 14
Total (Acct. 421):	81,925	3,128	85,053
TOTAL OTHER INCOME:	105,721	3,128	108,849

MISCELLANEOUS INCOME DEDUCTIONS

Miscellaneous Amortization (425):			
NONE	0	0	0 15
Total (Acct. 425):	0	0	0
Other Income Deductions (426):			
Depreciation Expense on Contributed Plant - Water		13,099	13,099 16
NON REGULATED SEWER	66,110	0	66,110 17
Total (Acct. 426):	66,110	13,099	79,209
TOTAL MISCELLANEOUS INCOME DEDUCTIONS:	66,110	13,099	79,209

INTEREST CHARGES

Interest on Long-Term Debt (427):			
Derived	93,849		93,849 18
Total (Acct. 427):	93,849	0	93,849
Amortization of Debt Discount and Expense (428):			
AMORTIZATION OF DEBT EXPENSE	1,571		1,571 19
Total (Acct. 428):	1,571	0	1,571
Amortization of Premium on Debt--Cr. (429):			
NONE	0		0 20
Total (Acct. 429):	0	0	0
Interest on Debt to Municipality (430):			
Derived	0		0 21
Total (Acct. 430):	0	0	0
Other Interest Expense (431):			
Derived	0		0 22
Total (Acct. 431):	0	0	0

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
2. Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

Description of Item (a)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)
INTEREST CHARGES			
Interest Charged to Construction--Cr. (432):			
NONE	0		0 23
Total (Acct. 432):	0	0	0
TOTAL INTEREST CHARGES:	95,420	0	95,420
NET INCOME:	(41,628)	(9,971)	(51,599)
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216):			
Derived	210,566	0	210,566 24
Total (Acct. 216):	210,566	0	210,566
Balance Transferred from Income (433):			
Derived	(41,628)	(9,971)	(51,599) 25
Total (Acct. 433):	(41,628)	(9,971)	(51,599)
Miscellaneous Credits to Surplus (434):			
NONE	0	4,240,995	4,240,995 26
Total (Acct. 434):	0	4,240,995	4,240,995
Miscellaneous Debits to Surplus--Debit (435):			
NONE	0	0	0 27
Total (Acct. 435)--Debit:	0	0	0
Appropriations of Surplus--Debit (436):			
Detail appropriations to (from) account 215			0 28
Total (Acct. 436)--Debit:	0	0	0
Appropriations of Income to Municipal Funds--Debit (439):			
NONE	0	0	0 29
Total (Acct. 439)--Debit:	0	0	0
UNAPPROPRIATED EARNED SURPLUS (END OF YEAR):	168,938	4,231,024	4,399,962

INCOME FROM MERCHANDISING, JOBBING & CONTRACT WORK (ACCTS. 415-416)

Particulars (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Revenues (account 415)					0	1
Costs and Expenses of Merchandising, Jobbing and Contract Work (416):						
Cost of merchandise sold					0	2
Payroll					0	3
Materials					0	4
Taxes					0	5
Other (list by major classes):					0	6
Total costs and expenses	0	0	0	0	0	
Net income (or loss)	0	0	0	0	0	

REVENUES SUBJECT TO WISCONSIN REMAINDER ASSESSMENT

1. Report data necessary to calculate revenue subject to Wisconsin remainder assessment pursuant to Wis. Stat. § 196.85(2) and Wis. Admin. Code Ch. PSC 5.
2. If the sewer department is not regulated by the PSC, do not report sewer department data in column (d).

Description (a)	Water Utility (b)	Electric Utility (c)	Sewer Utility (Regulated Only) (d)	Gas Utility (e)	Total (f)	
Total operating revenues	159,380	0	0	0	159,380	1
Less: interdepartmental sales	0		0	0	0	2
Less: interdepartmental rents					0	3
Less: return on net investment in meters charged to regulated sewer department. (Do not report if nonregulated sewer.)	0				0	4
Less: uncollectibles directly expensed as reported in water acct. 904 (690 class D), sewer acct. 843, and electric acct. 904 (590 class D) -or- Net write-offs when Accumulated Provision for Uncollectible Accounts (acct. 144) is maintained					0	5
Other Increases or (Decreases) to Operating Revenues - Specify:						
.					0	6
Revenues subject to Wisconsin Remainder Assessment	159,380	0	0	0	159,380	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	2,048,045	2,044,127	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	792,472	513,001	2
Net Utility Plant	1,255,573	1,531,126	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	5,183,923	5,183,773	3
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	975,261	510,920	4
Net Nonutility Property	4,208,662	4,672,853	
Investment in Municipality (123)	0	0	5
Other Investments (124)	282,499	331,108	6
Special Funds (125)	303,697	300,000	7
Total Other Property and Investments	4,794,858	5,303,961	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	189,195	189,458	8
Temporary Cash Investments (132)			9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	9,583	9,330	11
Other Accounts Receivable (143)	15,379	13,938	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	128,002	127,244	14
Materials and Supplies (150)	14,236	3,065	15
Prepayments (165)	5,643	4,187	16
Other Current and Accrued Assets (170)	18,726	21,995	17
Total Current and Accrued Assets	380,764	369,217	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	14,638	16,209	18
Extraordinary Property Losses (182)	0	0	19
Other Deferred Debits (183)	98,887	88,426	20
Total Deferred Debits	113,525	104,635	
Total Assets and Other Debits	6,544,720	7,308,939	

BALANCE SHEET

Liabilities and Other Credits (a)	Balance End of Year (b)	Balance First of Year (c)	
PROPRIETARY CAPITAL			
Capital Paid in by Municipality (200)	289,708	289,708	21
Appropriated Earned Surplus (215)			22
Unappropriated Earned Surplus (216)	4,399,962	210,566	23
Total Proprietary Capital	4,689,670	500,274	
LONG-TERM DEBT			
Bonds (221)	0	0	24
Advances from Municipality (223)	0	0	25
Other long-Term Debt (224)	1,822,649	1,913,633	26
Total Long-Term Debt	1,822,649	1,913,633	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)	12,839	5,059	28
Payables to Municipality (233)	0	0	29
Customer Deposits (235)			30
Taxes Accrued (236)	0	0	31
Interest Accrued (237)	15,165	16,056	32
Other Current and Accrued Liabilities (238)	4,397	4,412	33
Total Current and Accrued Liabilities	32,401	25,527	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	34
Customer Advances for Construction (252)			35
Other Deferred Credits (253)	0	0	36
Total Deferred Credits	0	0	
OPERATING RESERVES			
Miscellaneous Operating Reserves (265)			37
Total Operating Reserves	0	0	
CONTRIBUTIONS IN AID OF CONSTRUCTION			
Contributions in Aid of Construction (271)	0	4,869,505	38
Total Liabilities and Other Credits	6,544,720	7,308,939	

NET UTILITY PLANT

Report utility plant accounts and related accumulated provisions for depreciation and amortization after allocation of common plant accounts and related provisions for depreciation and amortization to utility departments as of December 31.

Particulars (a)	Water (b)	Sewer (c)	Gas (d)	Electric (e)	
First of Year:					
Total Utility Plant - First of Year	2,044,127	0	0	0	1
<i>(Should agree with Util. Plant Jan. 1 in Property Tax Equivalent Schedule)</i>					
Plant Accounts:					
Utility Plant in Service - Financed by Utility Operations or by the Municipality (100.1)	1,099,912	0	0	0	2
Utility Plant in Service - Contributed Plant (100.2)	948,133	0	0	0	3
Utility Plant Purchased or Sold (391)					4
Utility Plant in Process of Reclassification (392)					5
Utility Plant Leased to Others (393)					6
Property Held for Future Use (394)					7
Construction Work in Progress (395)					8
Utility Plant Acquisition Adjustments (396)					9
Other Utility Plant Adjustments (397)					10
Total Utility Plant	2,048,045	0	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service - Financed by Utility Operations or by the Municipality (110.1)	539,780	0	0	0	11
Accumulated Provision for Depreciation of Utility Plant in Service - Contributed Plant (110.2)	252,692	0	0	0	12
Total Accumulated Provision	792,472	0	0	0	
Net Utility Plant	1,255,573	0	0	0	

**ACCUMULATED PROVISION FOR DEPRECIATION AND
AMORTIZATION OF UTILITY PLANT ON UTILITY PLANT
FINANCED BY UTILITY OPERATIONS OR BY THE MUNICIPALITY
(ACCT. 110.1)**

Depreciation Accruals (Credits) during the year (110.1):

1. Report the amounts charged in the operating sections to Depreciation Expense (403).
2. If sewer operations are nonregulated, do not report sewer depreciation on this schedule.
3. Report the Depreciation Expense on Meters charged to sewer operations as an addition in the Water column.
If the sewer is also a regulated utility by the PSC, report an equal amount as a reduction in the Sewer column.
4. Report all other accruals charged to other accounts, such as to clearing accounts.

Particulars (a)	Water (b)	(c)	(d)	(e)	Total (f)	
Balance first of year (110.1)	513,001				513,001	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	26,237				26,237	4
Depreciation expense on meters						5
charged to sewer (see Note 3)	817				817	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
Total credits	27,054	0	0	0	27,054	13
Debits during year						14
Book cost of plant retired	275				275	15
Cost of removal					0	16
Other debits (specify):						17
					0	18
Total debits	275	0	0	0	275	19
Balance end of year (110.1)	539,780	0	0	0	539,780	20
Composite Depreciation Rate?	No					21
If yes, what is the rate?						22

**ACCUMULATED PROVISION FOR DEPRECIATION AND
AMORTIZATION OF UTILITY PLANT ON CONTRIBUTED PLANT IN
SERVICE (ACCT. 110.2)**

Depreciation Accruals (Credits) during the year (110.2):

1. Report the amounts charged to Depreciation Expense (426).
2. If sewer operations are nonregulated, do not report sewer depreciation on this schedule.

Particulars (a)	Water (b)	(c)	(d)	(e)	Total (f)	
Balance first of year (110.2)					0	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (426)	13,099				13,099	4
Accruals charged other						5
accounts (specify):						6
					0	7
Salvage					0	8
Other credits (specify):						9
Est. deprec on contrib plnt 1/1/03	239,593				239,593	10
Total credits	252,692	0	0	0	252,692	11
Debits during year						12
Book cost of plant retired	0				0	13
Cost of removal					0	14
Other debits (specify):						15
					0	16
Total debits	0	0	0	0	0	17
Balance end of year (110.2)	252,692	0	0	0	252,692	18
Composite Depreciation Rate?	No					19
If yes, what is the rate?						20

NET NONUTILITY PROPERTY (ACCTS. 121 & 122)

1. Report separately each item of property with a book cost of \$5,000 or more included in account 121.
2. Other items may be grouped by classes of property.
3. Describe in detail any investment in sewer department carried in this account.

Description (a)	Balance First of Year (b)	Additions During Year (c)	Deductions During Year (d)	Balance End of Year (e)	
Nonregulated sewer plant	5,183,773	150		5,183,923	1
Other (specify):					
NONE	0			0	2
Total Nonutility Property (121)	5,183,773	150	0	5,183,923	
Less accum. prov. depr. & amort. (122)	510,920	464,341		975,261	3
Net Nonutility Property	4,672,853	(464,191)	0	4,208,662	

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS-CR. (ACCT. 144)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Additions:		
Provision for uncollectibles during year		2
Collection of accounts previously written off: Utility Customers		3
Collection of accounts previously written off: Others		4
Total Additions	<u>0</u>	
Deductions:		
Accounts written off during the year: Utility Customers		5
Accounts written off during the year: Others		6
Total accounts written off	<u>0</u>	
Balance end of year	<u><u>0</u></u>	

MATERIALS AND SUPPLIES

Account (a)	Generation (b)	Transmission (c)	Distribution (d)	Other (e)	Total End of Year (f)	Amount Prior Year (g)	
Electric Utility							
Fuel for generation					0	0	1
Other					0	0	2
Total Electric Utility					0	0	

Account	Total End of Year	Amount Prior Year	
Electric utility total	0	0	1
Water utility	14,236	3,065	2
Sewer utility		0	3
Gas utility		0	4
Merchandise		0	5
Other materials & supplies		0	6
Total Materials and Supplies	14,236	3,065	

UNAMORTIZED DEBT DISCOUNT & EXPENSE & PREMIUM ON DEBT (ACCTS. 181 AND 251)

Report net discount and expense or premium separately for each security issue.

Debt Issue to Which Related (a)	Written Off During Year		Balance End of Year (d)	
	Amount (b)	Account Charged or Credited (c)		
Unamortized debt discount & expense (181)				
ISSUE COSTS OF 4-01 NOTES	1,328	428	9,625	1
ISSUE COSTS OF DNR CLEAN WATER BOND	125	428	1,354	2
ISSUE COSTS OF FMHA BOND	118	428	3,659	3
Total			14,638	
Unamortized premium on debt (251)				
NONE				4
Total			0	

CAPITAL PAID IN BY MUNICIPALITY (ACCT. 200)

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D, sewer and privates) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Amount (b)	
Balance first of year	289,708	1
Changes during year (explain):		2
Balance end of year	289,708	

BONDS (ACCT. 221)

1. Report hereunder information required for each separate issue of bonds.
2. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.
3. Proceeds advanced by the municipality from sale of general obligation bonds, if repayable by utility, should be included in account 223.

Description of Issue (a)	Date of Issue (b)	Final Maturity Date (c)	Interest Rate (d)	Principal Amount End of Year (e)
-------------------------------------	----------------------------------	--	----------------------------------	---

NONE

NOTES PAYABLE & MISCELLANEOUS LONG-TERM DEBT

1. Report each class of debt included in Accounts 223, 224 and 231.
2. Proceeds of general obligation issues, if subject to repayment by the utility, should be included in Account 223.
3. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.

Account and Description of Obligation (a and b)	Date of Issue (c)	Final Maturity Date (d)	Interest Rate (e)	Principal Amount End of Year (f)	
Other Long-Term Debt (224)					
FMHA BOND	01/23/1995	01/01/2035	5.00%	419,600	1
GENERAL OBLIGATION NOTES 4/01	04/01/2001	04/01/2011	4.61%	850,000	2
DNR CLEAN WATER LOAN	07/27/1994	05/11/2014	5.80%	553,049	3
Total for Account 224				<u>1,822,649</u>	

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Accruals:		
Charged water department expense	3,880	2
Charged electric department expense		3
Charged sewer department expense	3,590	4
Other (explain):		
NONE		5
Total Accruals and other credits	7,470	
Taxes paid during year:		
County, state and local taxes	7,228	6
Social Security taxes	242	7
PSC Remainder Assessment		8
Other (explain):		
NONE		9
Total payments and other debits	7,470	
Balance end of year	0	

INTEREST ACCRUED (ACCT. 237)

1. Report below interest accrued on each utility obligation.
 2. Report Customer Deposits under Account 231.

Description of Issue (a)	Interest Accrued Balance First of Year (b)	Interest Accrued During Year (c)	Interest Paid During Year (d)	Interest Accrued Balance End of Year (e)	
Bonds (221)					
NONE	0			0	1
Subtotal	0	0	0	0	
Advances from Municipality (223)					
NONE	0			0	2
Subtotal	0	0	0	0	
Other long-Term Debt (224)					
FMHA BOND	0	21,265	21,265	0	3
DNR CLEAN WATER LOAN	5,687	32,759	33,100	5,346	4
GENERAL OBLIGATION NOTES 04/01	10,369	39,825	40,375	9,819	5
Subtotal	16,056	93,849	94,740	15,165	
Notes Payable (231)					
NONE	0			0	6
Subtotal	0	0	0	0	
Total	16,056	93,849	94,740	15,165	

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Investment in Municipality (123):		
NONE		1
Total (Acct. 123):	0	
Other Investments (124):		
WATER SPECIAL ASSESSMENTS	65,192	2
SEWER SPECIAL ASSESSMENTS	217,307	3
Total (Acct. 124):	282,499	
Special Funds (125):		
DEPRECIATION FUNDS	143,508	4
DEBT RETIREMENT FUNDS	87,986	5
CONSTRUCTION FUNDS	72,203	6
Total (Acct. 125):	303,697	
Notes Receivable (141):		
NONE		7
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	9,583	8
Electric		9
Sewer (Regulated)		10
Other (specify):		
NONE		11
Total (Acct. 142):	9,583	
Other Accounts Receivable (143):		
Sewer (Non-regulated)	15,379	12
Merchandising, jobbing and contract work		13
Other (specify):		
NONE		14
Total (Acct. 143):	15,379	
Receivables from Municipality (145):		
2003 TAX LEVY	128,002	15
Total (Acct. 145):	128,002	
Prepayments (165):		
PREPAID INSURANCE	5,643	16
Total (Acct. 165):	5,643	
Extraordinary Property Losses (182):		
NONE		17
Total (Acct. 182):	0	

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Other Deferred Debits (183):		
NEW WELL AND/OR IRON REMOVAL PLANT IN PROGRESS	98,887	18
Total (Acct. 183):	98,887	
Payables to Municipality (233):		
NONE		19
Total (Acct. 233):	0	
Other Deferred Credits (253):		
NONE		20
Total (Acct. 253):	0	

RETURN ON RATE BASE COMPUTATION

1. The data used in calculating rate base are averages.
2. Calculate those averages by summing the first-of-year and the end-of-year figures for each account and then dividing the sum by two.
3. Note: Do not include contributed plant in service, property held for future use, or construction work in progress with utility plant in service. These are not rate base components.

Average Rate Base (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Add Average:						
Utility Plant in Service (100.1)	1,099,517	0	0	0	1,099,517	1
Materials and Supplies	8,650	0	0	0	8,650	2
Other (specify):					0	3
Less Average:						
Reserve for Depreciation (110.1)	526,390	0	0	0	526,390	4
Customer Advances for Construction					0	5
					0	6
Average Net Rate Base	581,777	0	0	0	581,777	
Net Operating Income	14,181	0	0	0	14,181	7
Net Operating Income as a percent of						
Average Net Rate Base	2.44%	N/A	N/A	N/A	2.44%	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

1. Acquisitions.

2. Leaseholder changes.

3. Extensions of service.

4. Estimated changes in revenues due to rate changes.

rates went up in the 4th quarter by 3%

5. Obligations incurred or assumed, excluding commercial paper.

6. Formal proceedings with the Public Service Commission.

an informel rate increase was approved

7. Any additional matters.

the utility has been incurring costs associated with development of a new well or replacement of the existing iron removal plant. Cost consist of engineering and test borings. The final decision on how to proceed has not yet been determined.

FINANCIAL SECTION FOOTNOTES

Balance Sheet End-of-Year Account Balances (Page F-18)

General footnotes

Deferred debits 183

The utility has been incurring costs associated with development of a new well or replacement of the existing iron removal plant. Cost consist of engineering and test borings. The final decision on how to proceed has not yet been determined.

Signature Page (Page ii)

General footnotes

DAVID TRACZYK
Certified Public Accountant
327 Silver Street
Hurley, Wisconsin 54534

Board of Commissioners
Mercer Sanitary District #1
Mercer, Wisconsin

I have compiled the accompanying balance sheets, statements of income and retained earnings, and statistical data of the Mercer Sanitary District #1 for the years ended December 31, 2003 and 2002, included in the accompanying prescribed form, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants .

My compilations were limited to presenting in the form prescribed by the Wisconsin Public Service Commission information that is the representation of management. I have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

April 26, 2004

CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCOUNT 271)

Particulars (a)	Water (b)	Electric		Sewer (e)	Gas (f)	Total (g)	
		Distribution (c)	Other (d)				
Balance First of Year	945,005	0	0	3,924,500	0	4,869,505	1
Add credits during year:							
NONE						0	2
Deduct charges (specify):							
Closed January 1, 2003 per Docket 05-US-105	945,005			3,924,500		4,869,505	3
Balance End of Year	0	0	0	0	0	0	

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues			
Sales of Water			
Sales of Water (460-467)	152,455	147,676	1
Total Sales of Water	152,455	147,676	
Other Operating Revenues			
Forfeited Discounts (470)	306	211	2
Other Water Revenues (474)	6,619	6,449	3
Amortization of Construction Grants (475)		3,695	4
Total Other Operating Revenues	6,925	10,355	
Total Operating Revenues	159,380	158,031	
Operation and Maintenance Expenses			
Plant Operation and Maintenance Expenses (600-660)	62,896	50,308	5
General Operating Expenses (680-690)	52,186	50,501	6
Total Operation and Maintenance Expenses	115,082	100,809	
Other Operating Expenses			
Depreciation Expense (403)	26,237	31,633	7
Amortization Expense (404)		0	8
Taxes (408)	3,880	3,033	9
Total Other Operating Expenses	30,117	34,666	
Total Operating Expenses	145,199	135,475	
NET OPERATING INCOME	14,181	22,556	

WATER OPERATING REVENUES - SALES OF WATER

1. Where customer meters record cubic feet, multiply by 7.48 to obtain number of gallons.
2. Report estimated gallons for unmetered sales.
3. Sales to multiple dwelling buildings through a single meter serving 3 or more family units should be classified commercial.
4. Account 460, Unmetered Sales to General Customers - Gallons of Water Sold should not include in any way quantity of water, i.e. metered, or measured by tank or pool volume. The quantity should be estimated based on size of pipe, flow, foot of frontage, etc. Bulk water sales should be Account 460 if the quantity is estimated and should be Account 461 if metered or measured by volume. Water related to construction should be a measured sale of water (either Account 461 or Account 464).
5. Other accounts: see application Help files for details.

Particulars (a)	Average No. Customers (b)	Thousands of Gallons of Water Sold (c)	Amounts (d)	
Operating Revenues				
Sales of Water				
Unmetered Sales to General Customers (460)				
Residential				1
Commercial				2
Industrial				3
Total Unmetered Sales to General Customers (460)	0	0	0	
Metered Sales to General Customers (461)				
Residential	273	6,064	55,721	4
Commercial	75	6,139	34,522	5
Industrial	9	2,159	8,608	6
Total Metered Sales to General Customers (461)	357	14,362	98,851	
Private Fire Protection Service (462)	2		1,086	7
Public Fire Protection Service (463)	1		46,675	8
Other Sales to Public Authorities (464)	14	909	5,843	9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
Total Sales of Water	374	15,271	152,455	

SALES FOR RESALE (ACCT. 466)

Use a separate line for each delivery point.

Customer Name (a)	Point of Delivery (b)	Thousands of Gallons Sold (c)	Revenues (d)
------------------------------------	--	--	-------------------------------

NONE

OTHER OPERATING REVENUES (WATER)

1. Report revenues relating to each account and fully describe each item using other than the account title.
2. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D and privates) and all other lesser amounts grouped as Miscellaneous.
3. For a combined utility which also provides sewer service that is based upon water readings, report the return on net investment in meters charged to sewer department in Other Water Revenues (474).

Particulars (a)	Amount (b)	
Public Fire Protection Service (463):		
Amount billed (usually per rate schedule F-1 or Fd-1)	46,675	1
Wholesale fire protection billed		2
Amount billed for fighting fires outside utility's service areas (usually per rate schedule F-2 or BW-1)		3
Other (specify):		
NONE		4
Total Public Fire Protection Service (463)	46,675	
Forfeited Discounts (470):		
Customer late payment charges	306	5
Other (specify):		
NONE		6
Total Forfeited Discounts (470)	306	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department	797	7
Other (specify):		
TOWER RENTAL	4,140	8
STANDBY FEES	666	9
MISCELLANEOUS	1,016	10
Total Other Water Revenues (474)	6,619	

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 30 percent, but not less than \$2,000, shall be fully explained in the schedule footnotes.

Particulars (a)	This Year (b)	Last Year (c)	
PLANT OPERATION AND MAINTENANCE EXPENSES			
Salaries and Wages (600)	35,681	33,382	1
Purchased Water (610)		0	2
Fuel or Power Purchased for Pumping (620)	2,347	4,025	3
Chemicals (630)	143	317	4
Supplies and Expenses (640)	8,158	6,548	5
Repairs of Water Plant (650)	13,867	4,054	6
Transportation Expenses (660)	2,700	1,982	7
Total Plant Operation and Maintenance Expenses	62,896	50,308	
GENERAL OPERATING EXPENSES			
Administrative and General Salaries (680)	12,068	11,441	8
Office Supplies and Expenses (681)	6,071	7,862	9
Outside Services Employed (682)	8,610	7,055	10
Insurance Expense (684)	18,216	17,407	11
Employees Pensions and Benefits (686)	5,243	5,541	12
Regulatory Commission Expenses (688)	1,978	0	13
Miscellaneous General Expenses (689)		1,195	14
Uncollectible Accounts (690)		0	15
Total General Operating Expenses	52,186	50,501	
Total Operation and Maintenance Expenses	115,082	100,809	

TAXES (ACCT. 408 - WATER)

When allocation of taxes is made between departments, explain method used.
--

Description of Tax (a)	Method Used to Allocate Between Departments (b)	This Year (c)	Last Year (d)	
Property Tax Equivalent			0	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department			0	2
Net property tax equivalent		0	0	
Social Security		3,638	2,826	3
PSC Remainder Assessment		242	207	4
Other (specify): NONE			0	5
Total tax expense		3,880	3,033	

WATER UTILITY PLANT IN SERVICE

--Plant Financed by Utility or Municipality--

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)	0		1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0		3
Total Intangible Plant	0	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	7,737		4
Structures and Improvements (311)	0		5
Collecting and Impounding Reservoirs (312)	0		6
Lake, River and Other Intakes (313)	0		7
Wells and Springs (314)	48,628		8
Infiltration Galleries and Tunnels (315)	0		9
Supply Mains (316)	0		10
Other Water Source Plant (317)	0		11
Total Source of Supply Plant	56,365	0	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	283,216		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	20,923		17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	1,052		20
Total Pumping Plant	305,191	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	175,979		22
Water Treatment Equipment (332)	4,664		23
Total Water Treatment Plant	180,643	0	

WATER UTILITY PLANT IN SERVICE (cont.)
--Plant Financed by Utility or Municipality--

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
INTANGIBLE PLANT				
Organization (301)			0	1
Franchises and Consents (302)			0	2
Miscellaneous Intangible Plant (303)			0	3
Total Intangible Plant	0	0	0	
SOURCE OF SUPPLY PLANT				
Land and Land Rights (310)			7,737	4
Structures and Improvements (311)			0	5
Collecting and Impounding Reservoirs (312)			0	6
Lake, River and Other Intakes (313)			0	7
Wells and Springs (314)			48,628	8
Infiltration Galleries and Tunnels (315)			0	9
Supply Mains (316)			0	10
Other Water Source Plant (317)			0	11
Total Source of Supply Plant	0	0	56,365	
PUMPING PLANT				
Land and Land Rights (320)			0	12
Structures and Improvements (321)			283,216	13
Boiler Plant Equipment (322)			0	14
Other Power Production Equipment (323)			0	15
Steam Pumping Equipment (324)			0	16
Electric Pumping Equipment (325)			20,923	17
Diesel Pumping Equipment (326)			0	18
Hydraulic Pumping Equipment (327)			0	19
Other Pumping Equipment (328)			1,052	20
Total Pumping Plant	0	0	305,191	
WATER TREATMENT PLANT				
Land and Land Rights (330)			0	21
Structures and Improvements (331)			175,979	22
Water Treatment Equipment (332)			4,664	23
Total Water Treatment Plant	0	0	180,643	

WATER UTILITY PLANT IN SERVICE

--Plant Financed by Utility or Municipality--

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	6,591		24
Structures and Improvements (341)	0		25
Distribution Reservoirs and Standpipes (342)	29,448		26
Transmission and Distribution Mains (343)	1,306,929	1,065	27
Fire Mains (344)	0		28
Services (345)	34,995		29
Meters (346)	29,705		30
Hydrants (348)	56,747		31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	1,464,415	1,065	
GENERAL PLANT			
Land and Land Rights (370)	0		33
Structures and Improvements (371)	0		34
Office Furniture and Equipment (372)	6,477		35
Computer Equipment (372.1)	6,420		36
Transportation Equipment (373)	17,763		37
Other General Equipment (379)	6,853		38
Other Tangible Property (390)	0		39
Total General Plant	37,513	0	
Total utility plant in service directly assignable	2,044,127	1,065	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	2,044,127	1,065	

WATER UTILITY PLANT IN SERVICE (cont.)
--Plant Financed by Utility or Municipality--

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
TRANSMISSION AND DISTRIBUTION PLANT				
Land and Land Rights (340)			6,591	24
Structures and Improvements (341)			0	25
Distribution Reservoirs and Standpipes (342)			29,448	26
Transmission and Distribution Mains (343)		(883,020)	424,974	27
Fire Mains (344)			0	28
Services (345)		(23,644)	11,351	29
Meters (346)			29,705	30
Hydrants (348)		(38,341)	18,406	31
Other Transmission and Distribution Plant (349)			0	32
Total Transmission and Distribution Plant	0	(945,005)	520,475	
GENERAL PLANT				
Land and Land Rights (370)			0	33
Structures and Improvements (371)			0	34
Office Furniture and Equipment (372)			6,477	35
Computer Equipment (372.1)			6,420	36
Transportation Equipment (373)	275		17,488	37
Other General Equipment (379)			6,853	38
Other Tangible Property (390)			0	39
Total General Plant	275	0	37,238	
Total utility plant in service directly assignable	275	(945,005)	1,099,912	
Common Utility Plant Allocated to Water Department				0 40
Total utility plant in service	275	(945,005)	1,099,912	

WATER UTILITY PLANT IN SERVICE

--Plant Financed by Contributions--

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)			1
Franchises and Consents (302)			2
Miscellaneous Intangible Plant (303)			3
Total Intangible Plant	<u>0</u>	<u>0</u>	
 SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)			4
Structures and Improvements (311)			5
Collecting and Impounding Reservoirs (312)			6
Lake, River and Other Intakes (313)			7
Wells and Springs (314)			8
Infiltration Galleries and Tunnels (315)			9
Supply Mains (316)			10
Other Water Source Plant (317)			11
Total Source of Supply Plant	<u>0</u>	<u>0</u>	
 PUMPING PLANT			
Land and Land Rights (320)			12
Structures and Improvements (321)			13
Boiler Plant Equipment (322)			14
Other Power Production Equipment (323)			15
Steam Pumping Equipment (324)			16
Electric Pumping Equipment (325)			17
Diesel Pumping Equipment (326)			18
Hydraulic Pumping Equipment (327)			19
Other Pumping Equipment (328)			20
Total Pumping Plant	<u>0</u>	<u>0</u>	
 WATER TREATMENT PLANT			
Land and Land Rights (330)			21
Structures and Improvements (331)			22
Water Treatment Equipment (332)			23
Total Water Treatment Plant	<u>0</u>	<u>0</u>	

WATER UTILITY PLANT IN SERVICE (cont.)
--Plant Financed by Contributions--

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
INTANGIBLE PLANT			
Organization (301)			0 1
Franchises and Consents (302)			0 2
Miscellaneous Intangible Plant (303)			0 3
Total Intangible Plant	0	0	0
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)			0 4
Structures and Improvements (311)			0 5
Collecting and Impounding Reservoirs (312)			0 6
Lake, River and Other Intakes (313)			0 7
Wells and Springs (314)			0 8
Infiltration Galleries and Tunnels (315)			0 9
Supply Mains (316)			0 10
Other Water Source Plant (317)			0 11
Total Source of Supply Plant	0	0	0
PUMPING PLANT			
Land and Land Rights (320)			0 12
Structures and Improvements (321)			0 13
Boiler Plant Equipment (322)			0 14
Other Power Production Equipment (323)			0 15
Steam Pumping Equipment (324)			0 16
Electric Pumping Equipment (325)			0 17
Diesel Pumping Equipment (326)			0 18
Hydraulic Pumping Equipment (327)			0 19
Other Pumping Equipment (328)			0 20
Total Pumping Plant	0	0	0
WATER TREATMENT PLANT			
Land and Land Rights (330)			0 21
Structures and Improvements (331)			0 22
Water Treatment Equipment (332)			0 23
Total Water Treatment Plant	0	0	0

WATER UTILITY PLANT IN SERVICE

--Plant Financed by Contributions--

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)			24
Structures and Improvements (341)			25
Distribution Reservoirs and Standpipes (342)			26
Transmission and Distribution Mains (343)			27
Fire Mains (344)			28
Services (345)		3,128	29
Meters (346)			30
Hydrants (348)			31
Other Transmission and Distribution Plant (349)			32
Total Transmission and Distribution Plant	0	3,128	
GENERAL PLANT			
Land and Land Rights (370)			33
Structures and Improvements (371)			34
Office Furniture and Equipment (372)			35
Computer Equipment (372.1)			36
Transportation Equipment (373)			37
Other General Equipment (379)			38
Other Tangible Property (390)			39
Total General Plant	0	0	
Total utility plant in service directly assignable	0	3,128	
Common Utility Plant Allocated to Water Department			40
Total utility plant in service	0	3,128	

WATER UTILITY PLANT IN SERVICE (cont.)
--Plant Financed by Contributions--

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)			0 24
Structures and Improvements (341)			0 25
Distribution Reservoirs and Standpipes (342)			0 26
Transmission and Distribution Mains (343)		883,020	883,020 27
Fire Mains (344)			0 28
Services (345)		23,644	26,772 29
Meters (346)			0 30
Hydrants (348)		38,341	38,341 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	0	945,005	948,133
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			0 34
Office Furniture and Equipment (372)			0 35
Computer Equipment (372.1)			0 36
Transportation Equipment (373)			0 37
Other General Equipment (379)			0 38
Other Tangible Property (390)			0 39
Total General Plant	0	0	0
Total utility plant in service directly assignable	0	945,005	948,133
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	0	945,005	948,133

SOURCE OF SUPPLY, PUMPING AND PURCHASED WATER STATISTICS

Expanded definitions of the three types of accounted-for water reported on this schedule are included in the schedule Help and in the Reference Manual Schedule Reference Sheet.

Month (a)	Sources of Water Supply			Total Gallons All Methods (000's) (e)	
	Purchased Water Gallons (000's) (b)	Surface Water Gallons (000's) (c)	Ground Water Gallons (000's) (d)		
January			1,745	1,745	1
February			1,936	1,936	2
March			2,828	2,828	3
April			2,606	2,606	4
May			2,186	2,186	5
June			2,200	2,200	6
July			2,290	2,290	7
August			2,326	2,326	8
September			1,889	1,889	9
October			1,714	1,714	10
November			2,236	2,236	11
December			1,746	1,746	12
Total annual pumpage	0	0	25,702	25,702	
Less: Water sold				15,271	13
Volume pumped but not sold				10,431	14
Volume sold as a percent of volume pumped				59%	15
Volume used for water production, water quality and system maintenance				4,905	16
Volume related to equipment/system malfunction				386	17
Non-utility volume NOT included in water sales					18
Total volume not sold but accounted for				5,291	19
Volume pumped but unaccounted for				5,140	20
Percent of water lost				20%	21
If more than 25%, indicate causes and state what action has been taken to reduce water loss:					22
Maximum gallons pumped by all methods in any one day during reporting year (000 gal.)				234	23
Date of maximum: 11/17/2003					24
Cause of maximum: flushing hydrants					25
Minimum gallons pumped by all methods in any one day during reporting year (000 gal.)				28	26
Date of minimum: 12/25/2003					27
Total KWH used for pumping for the year				31,191	28
If water is purchased: Vendor Name:					29
Point of Delivery:					30

SOURCES OF WATER SUPPLY - GROUND WATERS

Location (a)	Identification Number (b)	Depth in feet (c)	Well Diameter in inches (d)	Yield Per Day in gallons (e)	Currently In Service? (f)	
WELL 1 - 2992 HWY 51 SOUTH	BF973	56	16	432,000	Yes	1
WELL2 - WELL ROAD	BF974	58	16	468,000	Yes	2

SOURCES OF WATER SUPPLY - SURFACE WATERS

Location (a)	Intakes			
	Identification Number (b)	Distance From Shore in feet (c)	Depth Below Surface in feet (d)	Diameter in inches (e)
NONE				

1

PUMPING & POWER EQUIPMENT

1. Use a separate column for each pump.
2. Indicate purpose of pump by: P for primary (from source to reservoir, treatment or distribution system), B for booster (from reservoir or treatment to distribution system, or within distribution system), or S for standby pumping equipment.
3. Indicate destination (of water pumped) by: R for reservoir, T for treatment or D for distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
Identification	WELL 1	WELL 2	1
Location	2992 HWY 51 SOUTH	WELL ROAD	2
Purpose	P	P	3
Destination	D	D	4
Pump Manufacturer	LAYNE NORTHWEST	LAYNE NORTHWEST	5
Year Installed	1965	1978	6
Type	VERTICAL TURBINE	VERTICAL TURBINE	7
Actual Capacity (gpm)	300	325	8
Pump Motor or Standby Engine Mfr	US ELECTRIC	GENERAL ELECTRIC	10
Year Installed	1965	1976	11
Type	ELECTRIC	ELECTRIC	12
Horsepower	20	20	13

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)
Identification			14
Location			15
Purpose			16
Destination			17
Pump Manufacturer			18
Year Installed			19
Type			20
Actual Capacity (gpm)			21
Pump Motor or Standby Engine Mfr			22
Year Installed			23
Type			24
Horsepower			25
			26

RESERVOIRS, STANDPIPES & WATER TREATMENT

1. Identify as R (reservoir), S (standpipe) & ET (elevated tank).
2. Use a separate column for each using additional copies if necessary.
3. Enter elevation difference between highest water level in S or ET, (or R only on an elevated site) and the water main where the connection to the storage begins branching into the distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
Identification number or name	WATER TOWER		1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS			2
			3
Type: R (reservoir), S (standpipe) or ET (elevated tank)	ET		4
			5
Year constructed	1978		6
			7
Primary material (earthen, steel, concrete, other)	STEEL		8
			9
Elevation difference in feet (See Headnote 3.)	105		10
Total capacity in gallons (actual)	150,000		11
WATER TREATMENT PLANT			12
Disinfection, type of equipment (gas, liquid, powder, other)	LIQUID		13
			14
Points of application (wellhouse, central facilities, booster station, other)	WELLHOUSE		15
			16
Filters, type (gravity, pressure, other, none)	OTHER		17
			18
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)	1.0000		19
			20
Is a corrosion control chemical used (yes, no)?	N		21
			22
Is water fluoridated (yes, no)?	N		23
			24
			25

WATER MAINS

1. Report mains separately by pipe material, function, diameter and either within or outside the municipal boundaries.
2. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement), or P (Plastic for plastic and all other non-metal excluding asbestos-cement).
3. Identify function as: T (Transmission), D (Distribution) or S (Supply).
4. Explain all reported adjustments as a schedule footnote.
5. For main additions reported in column (e), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If the assessments are deferred, explain.

			Number of Feet				
Pipe Material (a)	Main Function (b)	Diameter in Inches (c)	First of Year (d)	Added During Year (e)	Retired During Year (f)	Adjustments Increase or (Decrease) (g)	End of Year (h)
M	D	6.000	13,822	0	0	0	13,822
M	D	8.000	25,752	0	0	0	25,752
M	D	10.000	910	0	0	0	910
M	D	12.000	15,240	0	0	0	15,240
Total Within Municipality			55,724	0	0	0	55,724
Total Utility			55,724	0	0	0	55,724

WATER SERVICES

1. Explain all reported adjustments as a schedule footnote.
2. Report in column (h) the number of utility-owned services included in columns (c) through (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
3. For services added during the year in column (d), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If installed by a property owner or developer, explain the basis of recording the cost of the additions, the total amount and the number of services recorded under this method.
 - d. If any were financed by application of Cz-1, provide the total amount recorded and the number of services recorded under this method.
4. Report services separately by pipe material and diameter.
5. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement) or P (Plastic for plastic and all other non-metal excluding asbestos-cement).

Pipe Material (a)	Diameter in Inches (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	Utility Owned Services Not In Use at End of Year (h)	
M	0.750	272	3	0	0	275	57	1
M	1.000	152	0	0	0	152	77	2
M	1.250	1	0	0	0	1	1	3
M	1.500	11	0	0	0	11	4	4
M	2.000	5	0	0	0	5		5
M	6.000	3	0	0	0	3	2	6
M	8.000	1	0	0	0	1		7
M	10.000	1	0	0	0	1		8
Total Utility		446	3	0	0	449	141	

METERS

1. Include in Columns (b), (c), (d), (e) and (f) meters in stock as well as those in service.
2. Report in Column (c) all meters purchased during the year and in Column (d) all meters junked, sold or otherwise permanently retired during the year.
3. Use Column (e) to show correction to previously reported meter count because of inventory or property record corrections.
4. Totals by size in Column (f) should equal same size totals in Column (o).
5. Explain all reported adjustments as a schedule footnote.

Number of Utility-Owned Meters

Size of Meter (a)	First of Year (b)	Added During Year (c)	Retired During Year (d)	Adjustments Increase or (Decrease) (e)	End of Year (f)	Tested During Year (g)	
0.625	354	0	0	0	354	25	1
0.750	30	0	0	0	30	0	2
1.500	6	0	0	0	6	0	3
2.000	5	0	0	0	5	0	4
Total:	395	0	0	0	395	25	

Classification of All Meters at End of Year by Customers

Size of Meter (h)	Residential (i)	Commercial (j)	Industrial (k)	Public Authority (l)	Wholesale, Inter-Department or Utility Use (m)	In Stock and Deduct Meters (n)	Total (o)	
0.625	255	50	3	9	0	37	354	1
0.750	1	18	4	3	0	4	30	2
1.500	0	3	2	1	0	0	6	3
2.000	0	4	0	1	0	0	5	4
Total:	256	75	9	14	0	41	395	

HYDRANTS AND DISTRIBUTION SYSTEM VALVES

1. Distinguish between fire and flushing hydrants by lead size.
 - a. Fire hydrants normally have a lead size of 6 inches or greater.
 - b. Record as a flushing hydrant where the lead size is less than 6 inches or if pressure is inadequate to provide fire flow.
2. Explain all reported adjustments in the schedule footnotes.
3. Report fire hydrants as within or outside the municipal boundaries.

Hydrant Type (a)	Number In Service First of Year (b)	Added During Year (c)	Removed During Year (d)	Adjustments Increase or (Decrease) (e)	Number In Service End of Year (f)	
Fire Hydrants						
Outside of Municipality	0				0	1
Within Municipality	89				89	2
Total Fire Hydrants	89	0	0	0	89	
Flushing Hydrants						
	0				0	3
Total Flushing Hydrants	0	0	0	0	0	

NR811.08(5) recommends that a schedule shall be adopted and followed for operating each system valve and hydrant at least once each two years. Please provide the number operated during the year.

Number of hydrants operated during year:

Number of distribution system valves end of year:

Number of distribution valves operated during year:

WATER OPERATING SECTION FOOTNOTES

Water Operation & Maintenance Expenses (Page W-05)

General footnotes

Repairs of Water Plant 650

This cost was higher than normal because 2 mains were repaired that required contracted services and equipment to be utilized.

Water Utility Plant in Service --Plant Financed by Utility or Municipality-- (Page W-08)

General footnotes

Transmission and Distribution Mains 343

Additional cost of \$1,065 were incurred for mains installed in a prior year.

Adjustment to mains, services, and hydrants financed in prior years by contributions in aid of construction were reclassified in accordance with Docket 05.US.105.

Water Utility Plant in Service --Plant Financed by Contributions-- (Page W-10)

General footnotes

Adjustment to mains, services, and hydrants financed in prior years by contributions in aid of construction were reclassified in accordance with Docket 05.US.105.

Water Services (Page W-18)

General footnotes

3 new services were added and financed by the customers, 2 @ \$700 (estimated cost) and 1 @ \$1,728 (actual cost).
